Difficulty Factors Plan Duration and Cost

- Time-Loss Compensation rate is higher than pre-injury wage
- Chronic pain Issues

- Psychological/Emotional Issues
- English as a second language
- Chemical dependency

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These are the difficulty factors for plan duration and costs. They apply to both plan development and plan implementation referrals.

Who is eligible to receive a Referral?

How E or C is determined:

- Standard Error of the Mean (SEM) compares the vocational counselor's average work to statewide average
- 2. T-tables and confidence intervals adjusts this comparison for volume, like a batting average in baseball
- 3. The T-table sets a threshold based on number of closures. If the vocational counselor's body of work is outside this threshold, they are an outlier. Only statistical outliers are rated "Conditional".

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We use a statistically appropriate method (SEM) to set individual thresholds, in a way that's fair for small and high volume vocational providers.

The first step determines how the vocational counselor's average work (i.e., a sample) compares to the overall average (i.e., the population). In this case, the vocational counselor's average is compared to the statewide average.

The second step uses confidence intervals to determine, based on the size of the sample (namely, how many closures did he or she have), whether vocational counselor is eligible or conditional. Only extreme statistical outliers are designated as conditional.

We have set a very high 95% confidence interval (about 2 SEMs) as the threshold. What does this mean? This means that for the vocational counselor to be eligible, their body of work must fall within the 95% confidence interval. A 95% confidence interval means that the department is 95% confident that this is a true reflection of their body of work.

What is the Sample Period used?

- L&I retrieves data for vocational referrals closed in a 18 month period.
- This is based on when the Claims Manager closed the vocational referral.
- The 18 month time period is moving in time and is always one quarter year behind the present.
 - For example, the time period for the July 2003 report is October 1, 2001 to March 31, 2003.
 - The one quarter lag provides the opportunity for all billing to be completed.

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The sample period moves forward one quarter with each successive report.

In other words, one quarter drops off and a new quarter is added on.

The same sample period is used for both branches and individual counselors.

How does a CM use CACO?

- "E" providers CM can refer without extra documentation
- "C" providers CM may choose, but must document exception justification (PB 01-04, p. 15)
- LINIIS displays providers on referral screens:
 - E providers with CACOs in CACO sequence
 - E providers without CACOs (< 10 closures)
 - C providers in CACO sequence

 Plus, performance report is published quarterly on Internet

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"E" providers stands for eligible vocational counselors.

"C" providers stand for conditional vocational counselors.

On the average, "C" vocational counselor's work costs more and takes longer to complete the referral than "E" vocational counselors. "C" providers time and costs are not generally offset by RTW outcomes.

The Quarterly Performance Report provides other information such as outcome percentages, number of fee caps reached, and number of closures by referral type.

LINIIS is the department's electronic file management system. It is updated quarterly with the vocational performance report data so claims managers have up to date information on which to choose vocational providers.

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Here is a sample page from the January 2003 Quarterly Performance Report.

The vocational counselor or branch is E or C, what their CACO score is, how many total completions they had as well as the number of outcomes by referral type, and the percentage of outcome types.

Claims managers have been directed to consider a vocational provider's RTW percentages, as well as their CACO, in selecting a vocational provider.

This was emphasized to department staff and the vocational community by letter from Assistant Director Bob Malooly. A copy of those letters are posted on the department's web page at:

http://www.lni.wa.gov/hsa/Voc/VocPDFiles/Malooly200306.pdf

Observations so far

- System fully implemented 4/03 following 2-yr phase-in.
- Referral patterns show:

- CMs selecting primarily "E" vocational counselors
- CMs selecting vocational counselors more often than branches

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Since the Department implemented this system in June 2001, here are some initial observations we have made about the system.

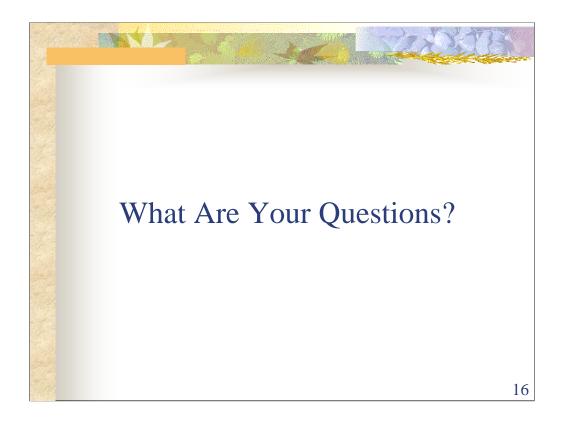
More observations

- Vocational costs are stabilizing after years of escalating costs
- L&I is increasing the emphasis on returnto-work outcomes.
- In addition, L&I has several on-going process improvement projects currently underway.

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The performance measurement system (CACO) only measures cost, duration, and outcome. It does not define what is a "good" person or what is a "bad" person.

Secondly, the claims manager has the final decision on which VRC receives the referral. The vocational performance measurement system (CACO) is a management tool for the claims manager to use in making that decision.



This concludes the presentation on the vocational performance measurement system.

If you have any questions, please contact the following individuals:

Mary Kaempfe, 360-902-6811 or email kaem235@LNI.wa.gov

Also, additional information concerning the vocational performance measurement system can be found in provider bulletins, provider updates, and memos on the web page.